

Sound Money League of Pennsylvania.

DOCUMENT NO. 4.

ADDRESS OF

Hon. Michael D. Harter

DELIVERED BEFORE THE

SOUND MONEY MEETING

HELD IN THE

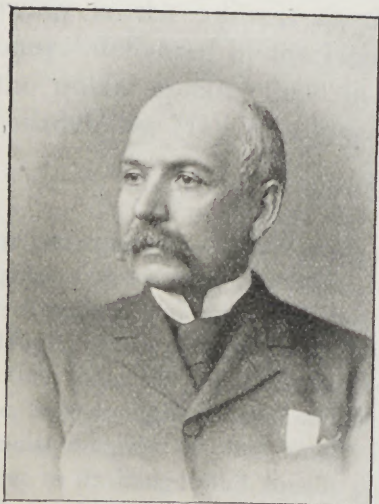
Academy of Music, Philadelphia,

May 28, 1895.

PHILADELPHIA:

SOUND MONEY LEAGUE OF PENNSYLVANIA,

248 BOURSE.



HON. MICHAEL D. HARTER.

ADDRESS

— OF —

Hon. Michael D. Harter.

The following is the address on the subject of "Sound Money," delivered by the Hon. Michael D. Harter, at the public meeting held in the Academy of Music, Philadelphia, May 28, 1895:—

LADIES AND GENTLEMEN:—Thirty years ago when the political integrity of the United States was in jeopardy, no portion of the American Union showed greater appreciation of a general danger, or was more disposed to rally for a common cause, than the city of Philadelphia. (Applause.) Your presence here to-night in such numbers proves that when the financial integrity of your country is at stake you are equally alive to its danger and equally patriotic in coming to its rescue. (Applause.)

Whatever may be the opinion of the people about the courage and the capacity in 1861 of our Pennsylvania President of the United States, to-night there can be no difference of opinion as to the wisdom, the patriotism or the courage of the present President of the United States at this juncture. (Great applause.) In this hour of common peril Mr. Cleveland has proven to his fellow-citizens and to the world at large that he is as worthy of being entrusted with the honor of his country and the interests of his fellow-citizens as was George Washington at the beginning of the American Revolution, or Mr. Lincoln, in 1861. (Applause.)

It is a very singular thing, that at a juncture like this, when our country is, for the first time in its history, enjoying practical bimetallism, it is, I say, strange that this occasion should be chosen by statesmen, politicians and agitators to ask for a change in our present system, which would inevitably result in putting real bimetallism aside and restoring the exact kind of monometallism which we had from 1792 until 1834, namely, silver monometallism. It is an amazing thing that this should be done in the name of bimetallism.

These agitators for a return to semi-barbarous methods trespass upon the credulity of their fellow-citizens. They credit you with uncommonly short memories, as well as with a low order of intelligence. To-day, when you have not yet fairly emerged from the distress of 1893, which was brought about by fear that the country would ultimately be forced to a silver basis, I say they credit you with short memories in thinking you have forgotten the distress and the calamities which were general and particular throughout the United States, and especially do they discredit your intelligence, for they assume that you do not appreciate the remarkable difference in the financial affairs of the country, the general hope of prosperity that affects the whole people, because within a very few months, thanks to the wisdom of the President of the United States, you have the promise that we shall continue to stand, as we have stood since the resumption of specie payments, upon a gold basis in the United States of America. (Applause.)

THE PRACTICAL SIDE.

In a discussion like this, it strikes me that the practical rather than the academic side should be presented everywhere ; and the speakers who have preceded me this evening surely have presented the academic side in an extremely clear and lucid manner. We have all gone, like lost sheep, astray in this gospel of the currency. We have put altogether

too much importance upon what the Government does for us. How much of the currency of the country, after all, does the Government, through coinage, provide for the people? A remarkably small portion. Think of it—in a hundred transactions currency of all kinds and of every character performs less than eight, and of those eight, coin gold or silver, or both, scarcely conduct two of them. In other words, out of 100 transactions this question of the coinage practically enters into only two. *But the standard of value enters into every one of them.* For this reason, my fellow-citizens, no matter what your politics may be, if you had 100 votes to cast, at least ninety-eight of them should be cast in favor of maintaining a standard of value which fluctuates as little as gold fluctuates. (Applause.) If it were possible to secure a measure of value more steady than gold we should adopt it and in doing so serve every interest, great or small.

SILVER MONOMETALLISM.

It is scarcely worth while to occupy more time in establishing the fact that what is called the free and unlimited coinage of silver would result in silver monometallism, for it has been to-night most clearly demonstrated, and is beyond question. It would be only repeating the old and unvarying law that given two forms of money, both of them legal tender for the payment of debts, the debtor having the choice, he will invariably tender the cheaper money. We cannot forget that we had one of the most distinct illustrations of this axiom in the history of the world during our Civil War. In 1862, one hundred and fifty millions of legal-tender paper money were authorized by Congress, and a little later another one hundred and fifty millions of legal-tender notes were authorized. And what happened? The same thing that occurred after 1792. Then, silver being overvalued in our coinage, France and other countries offering $15\frac{1}{2}$ instead of 15 to 1 of gold, gold fled from the country, went abroad and

did not return to us, simply because silver was the cheaper. Our 1862-63 legal-tender paper notes being cheaper than either gold or silver, not only did silver, as much as there was of it in circulation, go abroad, but all our gold fled, and even the subsidiary coins fled, and you had nothing but the "shin-plaster" to transact the ordinary and minor affairs of life with, instead of the ten, twenty-five and fifty-cent silver coins formerly used.

And it is patent that this experience with gold would be repeated under free coinage at 16 to 1. The singular part of the whole free-coinage idea is this: that it is based upon an assumption which in every place and at every time in the history of the world has been falsified.

THE CRIME OF 1873.

These gentlemen talk about the crime of 1873. Senator Edmunds has clearly shown that that was not a crime. I am very much surprised, too, that so many gentlemen who voted for the Coinage Act of 1873, which really saved the country from silver monometallism, and gave to us practical bimetallism, I am astonished that so many gentlemen who voted, evidently by accident, for so wise a measure, should go throughout the length and breadth of the country telling the people that they did not know what they were voting for. If I had been a member of the Senate of the United States or of the House of Representatives, it would have been one of the proudest acts of my life, and I should want my children to remember that I had voted for the Act of 1873 when I had an opportunity to do so. (Applause.)

LESS CIRCULATION THE RESULT.

Its advocates talk as if free coinage would increase the circulation of the country. It would reduce it largely. The best way of treating this question is to consider what would happen if the views of these gentlemen, who ask you to go

to the polls and vote for a fifty-cent dollar, were put into practical operation. We are all interested in knowing what the consequences of such legislation would be. Let us suppose for a moment that the law was passed and that the President had signed it, and that on and after July 1, 1895, we should have free coinage. What would happen? We have now, as you have just heard, about eighteen hundred millions of various forms of money, true money—gold and silver and representative paper money. One-third of this amount is gold. I ask you, now, what man, woman or child in the city of Philadelphia, to-morrow morning after the passage of this act, having a dollar in gold thus made equal to two dollars in silver, would be willing, either in the payment of a debt or in the purchase of goods, to pay out a gold dollar, equal to two silver dollars, when one silver dollar would do as well? The result, you see, even before the law became operative, would be to cause all the gold now in circulation to disappear at once, for the same reason that a man having any other commodity to sell when he can get two dollars for it instead of one, always demands the two.

If this be true, your currency to-morrow, instead of being increased in volume, as these gentlemen say is so necessary, but which I, for one, do not believe—certainly not when rates of interest are down to two and three and four per cent. per annum, and it is difficult to employ capital at that—the result of such a measure would be, instead of increasing the currency of the country, virtually to reduce the currency by one-third, namely, between six and seven hundred millions of dollars. Instead, therefore, of having eighteen hundred millions of dollars, as you have to-night, you would, after the passage of a law like that, have only twelve hundred million of dollars.

THE CONSEQUENCES.

Now, let us look at the consequences. If it requires eighteen hundred million dollars to transact the business of

the country—and these gentlemen say it requires more—it naturally follows, from their own argument, that to-morrow only two-thirds of the business of the country could be carried on. What would that mean? It would mean the closing of one-third of all the industrial establishments of the country. It would mean where three men had been employed only two men could be employed to-morrow. What would that mean to the working people in this country? What would it mean to the helpless widow, supporting her children by weary and uncertain toil? What would it mean to all men who, through the sweat of their faces, are engaged in the support of their families? Owing to the decreased demand for labor, it would bring enforced idleness to one-third of the people, and, of course, lower wages to the other two-thirds; and when they received their lowered wages, and went to the stores to invest them in the articles necessary for the comfort and support of their families, they would find their depreciated money would only pay for one-half as many goods as it did before.

Can any man imagine or point out a calamity more dire or consequences more destructive to the people of the country than this would produce? Is it possible that the American people are considered so stupid by any considerable number of so-called leaders as to cause them to expect for a moment that people belonging to any party, when they look upon their wives and children and consider their own condition in life and their future, can be bought, driven or coaxed to the polls to support such an infamous measure as that which is presented to them by the free-silver people? (Applause.) But how would it affect other classes of people in this country? Your deposits in the city of Philadelphia, in National banks, I think at present are about \$88,000,000. I am unable to say just how much is deposited in the various trust companies and savings funds. The people who have this vast sum, probably aggregating \$150,000,000 in this city alone, would wake up to-morrow morning and

find one-half of their \$150,000,000, in many cases the savings of twenty or thirty or forty years even, of honest, laborious toil and honorable economy and care upon the part of those who own it, wiped out of existence, never to be returned to its owners. Is it possible that even a small fraction of the people of the United States belonging to either political party would support such an outrageous, insane and wholly unnecessary change in the standard of value?

A PRACTICAL QUESTION.

This is a practical question, and it affects, as I said, every man who earns a salary, as well as every man who works at the bench. We have had a little experience of the effect of a depreciated currency on the welfare of the people who work for wages or toil for salaries. Are not our memories long enough to remember the times when we had a depreciated currency, during the war and after the war? If you will follow me a moment, I will show you what the consequences then were upon the people who depended upon wages or salaries for their support. You hear it so glibly stated by people who talk a great deal and who know so little about the currency question that the days of inflation were good for the workingman. They cry, "Let us have the old greenback days. Take us back to the time when money was plenty." Just as the children of Israel in the wilderness—for we are now in a wilderness owing to the machinations of the free-silver element—just as the children of Israel begged Moses to take them back to their bondage in Egypt, so these people turn to us and say, "Take us back to the glorious times when we had a depreciated currency."

THE WORKING PEOPLE.

Consider now what really were the consequences to the working people, for that matter to all the people, because nearly all of us are working people. I invite you to look

back at the picture. We have been told things were flourishing in the United States during this sad period. The younger men who were children then, and the older men whose memories are short, look back upon 1862 to 1870 as a golden age, or a paper age may be, as good as a golden. The purchasing value of a legal-tender paper dollar fell so low that the cost of the articles necessary for the support and comfort of families went up from one dollar to two dollars sixteen cents and eight mills, whereas average wages only advanced to one dollar and forty-three cents. In other words, this system of inflation reduced the wages and salaries of workmen, as well as the income of those who received fees professionally, to sixty-six cents on the dollar. Quote this kind of history to the people who like a debased dollar. Not content with this bitter experience, it is supposed that the people of this country can be mesmerized and hypnotized so that, after one such lesson, they are willing to make another plunge, and reduce their wages, not from one dollar to sixty-six cents, as greenbacks did, but from one dollar to fifty cents. What a remarkable class of people we must be in this country if we can be induced to go to the polls or march in processions or throw up our hats to the men who advocate a fifty-cent dollar when we know that all it means is that it will be our glorious privilege to work two days next year for the same amount of comfort that we secure under the present system of coinage with one day's effort. (Applause.)

If you can count the number of men and women in Philadelphia who prefer to work two days instead of one day for a given sum, then I can tell you the exact number of men who will go to the polls in Philadelphia and vote for the free coinage of silver after the question is clearly put before them.

THE FARMER.

Let us look at the farmer. Great stress is laid on the fact that the farmer will sell his product for gold in Europe,

and buy at home for silver. This is quite true. But if the farmer thinks he can prosper by a calamity which will affect everybody else disastrously, he is mistaken. It is true he will get gold, but in a very little time he will find that all the commodities he finds it necessary to buy here with silver will cost him double what he now pays, and the silver balance he lays up, instead of being worth, as it is now, one hundred cents on the dollar for his children, will hereafter be worth but fifty cents on the dollar.

The farmer may be considered by some city people a long-eared man, and you are familiar with the pictures of him in *Puck* and *Judge* with very long hair, and a great many straws and hayseeds in it. But I can tell you from my intimate acquaintance with farmers that their ears are not so long as those of many city people, and that they will not engage to any very considerable extent in voting for the free and unlimited coinage of silver after they look into the subject and the facts of the case are all before them.

THE INSURED.

There are other important classes to be considered, too. Look at the people who have life insurance. Nearly everybody in this community has some life insurance for his family. Under our present system of coinage, when a man dies having a policy of insurance for \$1,000 in a solvent insurance company, his wife and children receive \$1,000. Pass a free-coinage bill, however, and the life insurance companies are able to pay \$1,000 to your wife and children with coin worth but \$500. There are about seventy-five hundred millions of dollars of life insurance in the United States. Free coinage would injure the holders of these policies to the extent of thirty-seven hundred and fifty millions of dollars. Is it conceivable that there are a sufficient number of men in the United States so lost to reason, so beyond the bounds of common sense, as to go to the polls and vote for such a change? I believe not; but I can tell

you that if it is so, they will find that those at home, who are expecting some day, wishing no doubt it may be a long day off, to receive this life insurance, will put a veto on that kind of voting by the head of the family. (Long applause).

Look at the savings banks. Free coinage would allow two thousand millions of deposits to be paid off with one thousand millions of dollars in gold.

THE SILVER-MINE OWNER.

And now, singularly enough, we come to the silver-mine owner himself. The supposition of this astute gentleman has been that he would be able to rob everybody else. I grant you that at the initial step he would rob everybody else; but can he not see that in the end the silver-mine owner would not be benefited? Consider for a moment. The instant our coinage comes down to the silver basis then a coined silver dollar is worth no more to the owner of bullion than the bullion itself; and the consequence will be, within a very few weeks after the passage of a free-coinage bill, our friend who owns a silver mine will discover that he has not escaped the general calamity either, and that his silver, instead of buying one hundred cents' worth of his neighbor's property or of his neighbor's sweat, will purchase precisely fifty cents' worth. In Mexico, to-night, under free coinage, the owners of silver bullion and the people who mine silver are no better off than if they lived in Colorado.

THE DEBTOR.

Another argument used is, that it is the debtor class who are going to be benefited by this. In the first place, this is an unworthy argument to present to anybody, because it is the argument of the thief. (Applause.) What did the debtor get for which he executed his note or obligation?

If he borrowed since 1834, or at any rate since the resumption of specie payments, he got money for his note worth

one hundred cents on the dollar. And the man in Congress, that leader of the people, or the man in private life who advocates or urges that this borrower should be induced to vote for a measure which would enable him to pay his honest debt of one hundred cents with fifty cents, is simply a man who would make every other man in this country a robber and a thief. (Applause.) In degrading his fellow-men individually, he brings discredit and dishonor upon his country. But who are the debtors of this country? Not the poor, evidently not. What enables a man to become a debtor? It is credit. The poor, not having credit, necessarily are not the debtors of the country. Who own the deposits in the savings banks? The poor and moderately well-to-do. Who own the small mortgages? Who own the stocks of railroads? Who own the stock in banks? It is the small capitalists, the poor of the country, who are not able to go into business upon a large scale themselves, who cannot make great investments under their own immediate control, but must trust their savings to the care of those who manage banks and railroads, and who engage in large commercial operations.

The poorer classes of people in this country, then, are the real creditors, and they are the multitude of the country, and they are those whose rights and interests it is our bounden duty to take care of; and it is our duty to see that they are not wronged or cheated. The rich and well-to-do people, those engaged in large business and possessing great credit, are the debtors of the country; and anything which scales down the debts of the country to fifty cents on the dollar would simply enrich them while it impoverished the poor.

The largest debtors are the railroads and other corporations. At this time it is so extremely popular to denounce corporations, especially railroads, as worthy of the contempt of the whole country, notwithstanding they employ many more men and much more regularly than any other industry in the country, and pay higher wages than any other. Just

now, when it is so popular to denounce railroads, let me call your attention to the fact, which is a high honor to those who are entrusted with the management of these great institutions, that, whereas, they are the great debtors of the country, and, whereas, free coinage would be more beneficial to the railroads than any other interest of the country, it is to their eternal credit, as citizens of the great Republic, anxious for the honor of the whole Nation, and as private individuals prove their own personal probity in business transactions—the railroad companies of the country are practically solid in opposition to the free and unlimited coinage of silver, although that action would bring something like three thousand millions of dollars to the treasuries of these corporations. (Applause.)

ENCOURAGEMENT.

In conclusion. There is a great deal of encouragement to be gotten out of the present situation. Many people have lain awake at nights thinking that all their neighbors could be seduced into mortgaging their future, throwing away half they have saved. I want to give such people a little encouragement. Most of those people you are afraid of, if they were talked to plainly, simply and earnestly, would discover the danger and the calamity that would follow free coinage as readily as you have.

Here is an object lesson. I am not quite enough of a politician to be exact about figures of majorities. I hope I will get within a few thousand, however, and that the reporters will not put down my figures too accurately. However, in the illustration I propose to use, the figures were so high that a few thousand either way will not count. In the State of Ohio last fall, the leader of the Democratic party, for the time-being the bearer of a great and influential name in that Commonwealth, told the Democratic party that what it needed to change the sixty-one thousand Republican majority that elected Governor McKinley into a sixty-one thousand Democratic majority, was the putting into the platform of a free-silver

plank. "Free silver will do the business," said the younger Mr. Thurman. A great many of the members of the party objected to it, and said it was dishonest, and dishonesty was never good politics, and it would not prove to be successful politics even temporarily. However, such men appeared to be in the minority, probably because our lungs were weak, more than anything else, and the plank went in. Besides, Mr. Thurman said that the Republican party of Ohio was largely composed of people who believed in free coinage. "Put a free-coinage plank into our platform and you will not only bring out every Democratic voter in the State of Ohio, but the Republicans will find it impossible to hold their followers, and there will be a stampede from the Republican party to the Democratic ranks on this question, which will practically put an end to the Republican party for all time to come in Ohio, and make Ohio eternally Democratic," the blind leader of the blind cried. Well, what was the result? What happened in Ohio? (Great applause.) Did the Republican majority of sixty-one thousand in 1893 turn over into a Democratic majority of sixty-one thousand in 1894? It is said that Mr. Thurman stood up to the telephone and kept it closely to his ear until he heard figures reported that sounded something like one hundred and sixty-one thousand or one hundred and seventy-one thousand or one hundred and eighty-one thousand Republican majority. (Applause.)

CITIZENSHIP BEFORE POLITICS.

Now, my idea is exactly the idea of Mr. Trenholm, only he has expressed it more eloquently than I could; for it seems to me, my good friends in the State of Pennsylvania—and I am a citizen of the State of Pennsylvania, and have a right to be taken into your counsels on such a matter—it seems to me that the tariff question has been practically settled. Philadelphia now produces woolen goods cheaper and better than our foreign competitors, and

we have always produced high-class manufactures, such as Bement, Miles & Co. make, or the William Sellers Co. manufacture; such as our magnificent locomotive works have filled the earth with. It seems to me the time has at last arrived when the question of the tariff is of very little actual importance to the people of the country, however much desired by candidates for office, who would like to hide the silver issue while parading the tariff question. We have arrived at a time when in Philadelphia, in the great Commonwealth of Pennsylvania and in the Nation at large, men who love their country and who have a natural and proper interest in the welfare of their families and in the well-being of their neighbors; it seems to me that the time is here when, as Mr. Trenholm has said for himself, and, as I am proud to say, for myself, all men should register the declaration publicly, so that the politicians may understand the full significance of it, that no man and no party advocating the alteration and degradation of the standard of value can, under any circumstances, secure the vote of a solitary citizen of Philadelphia.

Sink your political prejudices, whatever they may be, and if you cannot have the distinguished honor of being represented in the Senate of the United States by a Cameron you would not suffer any lasting disgrace in being represented by a Cadwalader, a Singerly, a Roberts, a Thomas or a Smith. There are more than five hundred men in the city of Philadelphia alone who might satisfy the people of Pennsylvania if they stood upon an honest platform, in the interests of all the people in the Commonwealth, quite as well as even a Cameron, mounted upon a silver steed, and demanding a fifty-cent dollar. (Applause.)

You ought to go further than this. You must serve notice immediately upon all sneaking candidates for presidential nominations. Some of these travel from one end of the country to the other telling the people that they cannot understand what possible interest they have in knowing their

views on the silver question, that they are prepared to stand on any platform which any party will make and be willing to nominate them upon. You ought to tell such politicians that whereas you have very little interest in them personally, you have a great deal of interest in what you are going to have for breakfast to-morrow and still greater interest in whether you are going to have anything whatever for breakfast next week. You ought to say to those self-constituted candidates for the presidency, upon either side of the political fence, that now is the time that they can be of service to their fellow-citizens; that now is the hour when they can stretch forth their arms and open their mouths and let their voice proclaim the truth on this question, for we can do without them very well in 1896, but we cannot well do without honest and courageous men in 1895. (Applause.)

The Sound Money League of Pennsylvania

ORGANIZED MAY 28, 1895.

To combat the Free Coinage of Silver at the
arbitrary ratio of 16 to 1.

President, JOHN H. CONVERSE.

Vice-Presidents, WM. WOOD, SAM'L R. SHIPLEY, WM. D. WINSOR.

Treasurer, GEORGE C. THOMAS, *Secretary*, WM. R. TUCKER,
Chestnut and Fifth Streets, Philadelphia. The Bourse, Room 243, Philadelphia.

Executive Committee.

C. STUART PATTERSON, *Chairman*,

JOHN P. GREEN,
JAMES V. WATSON,
N. PARKER SHORTRIDGE,
CHARLES H. BANES,
CHAS. EMORY SMITH,
GEORGE H. MCFADDEN,
JOHN H. MICHENER,
J. LEVERING JONES,

EUGENE DELANO,
JOSEPH WHARTON,
R. F. CULLINAN,
WILLIAM POTTER,
WM. M. SINGERLY,
PEMBERTON S. HUTCHINSON,
JOHN C. BULLITT,
B. DALE BENSON,

R. H. RUSHTON.

Subscriptions are solicited for the work of the League, and will be received by the Treasurer, MR. GEORGE C. THOMAS, Chestnut and Fifth Streets, Philadelphia.

PUBLICATIONS.

- No. 1. Proceedings of the Sound Money Meeting, Philadelphia, May 28, 1895. Speeches, etc.
- No. 2. Address of Hon. George L. Edmunds, and Resolutions. Reprinted from No. 1.
- No. 3. Address of Hon. Wm. L. Trenholm.
- No. 4. Address of Hon. Michael D. Harter.
- No. 5. Address of Hon. Charles Emory Smith.
- No. 6. Gold, Silver and Money, by Samuel R. Shipley.
- No. 7. The Action of The Union League of Philadelphia. Speeches of C. Stuart Patterson, Esq., Hon. Wm. Potter and Hon. Chas. F. Warwick.
- No. 8. Sound Money Speech of C. Stuart Patterson, Esq., at the Union League of Philadelphia.
- No. 9. The Silver Question in a Nutshell, by Theo. C. Knauff.
- No. 10. The Money Unit of 1792, by Hon. Marriott Brosius.
- No. 11. Hon. Marriott Brosius to the Farmers.
- No. 12. The Cost of Bad Money, by Edward Atkinson.
- No. 13. A Dissatisfied Farmer, by Theo. C. Knauff.
- No. 14. The Future Price of Silver, by Ellis Clark, Mining Engineer.
- No. 15. Address of Mr. George B. Roberts, President of the Pennsylvania R. R. Co.

